

STATE OF WASHINGTON



OFFICE OF  
INSURANCE COMMISSIONER

In the Matter of  
NORTH PACIFIC INSURANCE  
COMPANY, An Authorized Insurer

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Order D-2002-77  
CONSENT ORDER

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FINDINGS OF FACT:

1. North Pacific Insurance Company ("North Pacific") holds a certificate of authority which was duly and properly issued by the Washington state Insurance Commissioner. North Pacific is therefore governed by the provisions of Title 48 RCW, the Insurance Code.
2. RCW 48.05.250 provides that each authorized insurer shall, before the first day of March, file with the Commissioner a true statement of its financial condition, transactions and affairs as of the thirty-first day of December preceding.
3. North Pacific did not file with the Commissioner a true statement of its financial condition, transactions and affairs as of the thirty-first day of December, 2001, by March 1, 2002.
4. A letter dated March 14, 2002 was sent to North Pacific, notifying it of its failure to timely file the annual statement required by RCW 48.05.250. The letter requested a written response no later than April 5, 2002, explaining the legal reason, if any, why the insurer's failure to file its annual statement by March 1, 2002, should not be referred for disciplinary proceedings as authorized by RCW 48.05.250(3). No written response was received until April 8, 2002. The only reason given for the failure to timely file the annual statement was "unanticipated delay", which does not excuse North Pacific from the responsibility to comply with RCW 48.05.250.
5. In addition, North Pacific also failed to timely file its annual report for the year 2000 by not later than March 1, 2001. As a result, the Commissioner issued Consent Order D-2001-68 to North Pacific. That Order fined the insurer Two Hundred Fifty Dollars and suspended an additional amount of Seven Hundred Fifty Dollars on condition that North Pacific comply with certain conditions specified in the Conditions Section of Consent Order D-2001-68. One of these was that North Pacific shall file the statement required by

RCW 48.05.250 for the year ending December 31, 2001 no later than the last day of February, 2002.

CONCLUSIONS OF LAW:

1. By failing to file with the Commissioner before March 1, 2002, a true statement of its financial condition, transactions and affairs as of the thirty-first day of December, 2001, North Pacific Insurance Company violated RCW 48.05.250.
2. This failure to timely file its 2001 annual statement before March 1, 2002 was also a violation of the condition North Pacific agreed to in Consent Order D-2001-68. According to the terms of that Order, this made North Pacific liable to the imposition of a fine of Seven Hundred Fifty Dollars, which had been suspended by that Order.
3. By failing to respond timely to the letter of March 14, 2002, North Pacific violated WAC 284-30-650.

CONSENT TO ORDER:

North Pacific Insurance Company hereby admits to the foregoing Findings of Fact and Conclusions of Law. North Pacific acknowledges its duty to comply with all applicable laws and regulations of the State of Washington.

The Commissioner has offered a settlement in lieu of suspending or revoking North Pacific's certificate of authority pursuant to RCW 48.05.250(3). North Pacific accepts the proposed settlement, in lieu of further proceedings in this matter.

By agreement of the parties, the Commissioner will suspend a fine of Seven Hundred Fifty Dollars and no/100 ( \$750.00 ) upon North Pacific for the violations set forth herein.

EXECUTED AND AGREED this 13<sup>th</sup> day of May, 2002.

NORTH PACIFIC INSURANCE COMPANY

\_\_\_\_\_  
Typed Name: \_\_\_\_\_

Typed Corporate Title: \_\_\_\_\_

ORDER:

Pursuant to RCW 48.05.185, the Insurance Commissioner hereby imposes a fine of Seven Hundred Fifty Dollars and no/100 ( \$750.00 ) upon North Pacific Insurance Company. This fine must be paid timely and in full within thirty days of the date of entry of this Order. Failure to pay the fine timely and in full shall constitute grounds for revocation of the certificate of authority held by North Pacific Insurance Company in the state of Washington, and for recovery of the fine of \$750.00 in a civil action brought by the Attorney General on behalf of the Insurance Commissioner.

ENTERED AT LACEY, WASHINGTON, this 28<sup>th</sup> day of May, 2002

MIKE KREIDLER  
Insurance Commissioner

By: \_\_\_\_\_

James T. Odiorne

Deputy Insurance Commissioner  
Company Supervision